



CALFED
BAY-DELTA
PROGRAM

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Date: April 26, 1996

To: CALFED Members

From: Lester A. Snow, Executive Director
CALFED Bay-Delta Program

Subject: Category III Crediting Policy

The Category III program, which was a part of the December 1994 Accord, is preparing to solicit funding for the 1996 funding year. Although the program raised \$10 million of stakeholder funds in 1995, it will be more successful if additional funding is available in 1996. Category III expenditures are working toward the goals of the long-term Bay-Delta solution. Additional funding may become available in 1996 if this fact is addressed explicitly as part of the Category III funding effort.

In order to recognize the contributions that Category III expenditures make toward the long-term Bay-Delta solution, and to create an incentive to increase contributions toward completion of Category III projects, CALFED has previously expressed approval of a policy whereby contributions to the Category III program will be credited on a dollar for dollar basis toward future financial obligations related to funding the long-term solution, developed through the CALFED Bay-Delta Program.

To implement this policy, CALFED Bay-Delta Program staff will develop specific terms of the crediting program to enable implementation of this policy for the 1996 Category III funding effort. Such terms will provide:

- form of the crediting
- terms of the crediting program including interest to be paid, if any, and other features which should be incorporated in such a crediting program to maximize its effectiveness
- process for receiving future credits from existing or future institutions implementing the long term solution

A CALFED staff team will prepare a specific proposal for consideration by the CALFED Management Group at their May meeting.

CALFED Agencies

California

The Resources Agency
Department of Fish and Game
Department of Water Resources
California Environmental Protection Agency
State Water Resources Control Board

Federal

Environmental Protection Agency
Department of the Interior
Fish and Wildlife Service
Bureau of Reclamation
Department of Commerce
National Marine Fisheries Service